

Remarks by Mike Kreidler, Washington state Insurance Commissioner  
U.S. House of Representatives Democrats  
March 16, 2017  
9:30 a.m. – 12:00 p.m.

Each panelist has 5 minutes for remarks and then Q&A from members

Panel on Economic and Coverage Implications of the American Health Care Act

- Doug Elmendorf: Review of CBO report
- Andy Slavitt: Medicaid

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Thank you Whip Hoyer, ranking members Pallone, Neal, Scott and other members.

Washington state fully implemented the Affordable Care Act.

- We expanded Medicaid and created our own state-based Exchange, Washington Healthplanfinder.

Our uninsured rate has dropped from 14 percent to 5.8 percent or 410,000 people.

Our individual market is thriving – we have 13 insurers with 150 plans this year – more than we had *before* the ACA.

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We did an economic analysis of the impact the proposed American Health Care Act (or Trumpcare) would have in our state and the findings are *devastating*.

If this law passes, our uninsured rate will jump from 5.8 % to 15% or 1.1 million people – *more* than before the ACA.

Our model took actual people enrolled in our 2016 individual market and looked at their purchasing patterns.

We looked at what would happen to them, if we applied 3 major parts of Trumpcare as if they took effect *today*:

1. Removing the mandate by getting rid of the penalty
2. Moving from income-based to age-based tax credits
3. Going from 1:3 age rating to 1.3.75 (*what's allowed under WA state law*)

Based on these changes, we expect our uninsured rate will jump to 15% – or 1.1 million people – more than before the ACA.

Young and older lower and middle income people in rural counties will be hit the hardest.

- People under age 30 and between age 50 and 64.
- People earning about \$30,000 a year or under 250% the FPL.

81% of our Medicaid expansion population has income below the Federal Poverty Level.

- They're *not* going to buy individual plans - even with a tax credit.

I can tell you that I'm extremely worried.

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Washington state has been here before.

Back in the early 1990s we passed health care reform that included a mandate and a limited pre-existing condition waiting period.

One year later, the Republicans gained control and repealed the mandate but kept the pre-x waiting period.

It only took 4 years for our individual market to collapse. Insurers left and you couldn't buy an individual health plan in our state.

To salvage the market, we had to allow insurers to reject the sickest people and send them to our state's high risk pool.

Unfortunately, premiums were still too high for many.

It took the ACA, with its Medicaid expansion and premium assistance, for us to really put our market back together.

We can't afford a return to the past.

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Thank you.